



ARIZONA SOCIETY OF CPAs

Remarks by Gov. Jan Brewer
Wednesday, February 3, 2010

Good morning!

You've probably heard that there are THREE types of accountants in the world:

Those who can count
and those who can't.

I am delighted that this room is filled today with the former.

These days, I CANNOT be surrounded by TOO MANY good accountants.

If there's one thing that life has taught me -- from childhood through all my years in public life, it's that challenges are really tests. They're tests of your character. Tests of your values.

Challenges arise to show us what we're made of as women and men.

I learned that when I was a little girl.

My father moved my mother, my brother and me halfway across America for a job in the Nevada desert, working at the country's largest munitions depot.

He died when I was 11. We were devastated, but my mother held the family together.

She opened a dress shop and she went to work -- 10 hours a day, 7 days a week. When life got hard, she worked harder. She never quit. My mother met every challenge that came her way.

Growing up with her, working in her store, she taught me that if you're not part of the solution, you're part of the problem.

Arizona is being measured right now. We're being challenged. We're being tested.

It's a challenge I can explain to you in one sentence. We don't have enough revenue to support the government some are demanding – and expecting.

That common sense path is the one I've tried to lead Arizona along for the past 12 months.

I've tried to prioritize government services, to make sure we have only the government we need, nothing more, nothing less.

That's the government I've fought for -- not just since I've been your governor -- but for a quarter century in elected office.

If we are going to have that government here in Arizona, we must do two things: Reduce government spending and ensure revenue to support the government we truly need.

The math is not hard. But, the choices are.

So, are we up to the challenge, or not?

I say we ARE.

In the five years before I took office our state government's budget grew by MORE THAN 50 PERCENT.

We simply cannot live that way. My mother couldn't do it in her business. You can't do it at your house. Here's the truth –

-- Since the start of the recession in December 2007, Arizona's unemployment rate has more than doubled, from 4.3 percent to 8.9 percent.

-- More than two hundred and seventy thousand Arizonans have lost their jobs, and our job growth rate is next-to-last among the 50 states.

-- Compared to December 2007, Arizona's retail sales activity is down by nearly 20 percent, home prices have fallen by 42 percent, and construction is off by more than half.

-- Revenues have declined for three consecutive years, and, for Fiscal Year 2010, they are projected to be 34 percent LESS than in FY 2007.

Meanwhile, we have had to accommodate enrollment growth in our K-12, community college and university systems; extraordinary mandated growth in our Medicaid population; and continued obligations for public safety and general governmental services.

In the last 12 months we imposed the largest spending reductions – in Arizona's history -- one point nine billion dollars.

We've eliminated State services.

We've eliminated state programs.

We've reduced the State workforce by almost 10 percent.

Yet, despite our efforts to date, our job has just started; for FY 2011 we face a projected shortfall of three point two billion dollars.

Nevertheless, in addressing these shortfalls, my budget reflects my core principles:

- Public safety cannot be compromised,
- Education is fundamental to Arizona's economic future, and, to the best of our ability,
- We must help those who cannot help themselves.

Job creation remains the top priority of my Administration. Fixing the budget deficit is critical to providing the stability we need to encourage local companies to grow, and out of state companies to relocate to Arizona.

To be a leader, you must tell the truth about the budget, and that's what I've done.

Still ahead are substantial spending reductions AND service eliminations across state government. This is a revolutionary downsizing and restructuring of how our state government operates.

That's why additional revenues are necessary so we can care for Arizona's children and their families.

That's why I am asking for a TEMPORARY 1-cent revenue increase -- locked in by the state Constitution -- to bridge the fiscal crisis -- \$1 billion per year for 3 years.

Stability will drive jobs -- we must balance our budget to protect jobs. Families are hurting in our state. I feel it, and understand it. But, if you are going to lead the state, you must be a truth-teller.

I have put on the table a decisive, detailed budget plan. It is the ONLY balanced budget plan -- no one else has offered a balanced or complete alternative.

I have never lost sight of the fact that we must build a tax system for the long term.

It must be one that rewards those industries that create high wage jobs -- the industries that could locate anywhere in the world.

And -- all too often overlooked -- we need to continue to take care of the small and medium-sized businesses ALREADY HERE!

More than 90 percent of Arizona's businesses are classified as small -- these are a critical economic engine for Arizona.

I am convinced that our future depends on our accepting the challenges that are in front of us -- meeting the test for the common good, looking beyond partisan benefit -- and, as my mother said, becoming a part of the solution.

The moments before us are profound and in many ways -- painful. But they are also filled with great opportunity.

I did not lead us here, but I am committed to leading us out, following the three guideposts pointing the way: Continue making the deep cuts we need to make, gain some additional revenue, and limit the growth of government going forward so that our state can never be taken down this road again.

I know all of that is hard; I also know it's the right thing to do for the people of Arizona.

I ask you to join me in committing to an Arizona revival equal to her spirit. One that is equal to the promise of her second century, a government that is limited in scope but unrestrained in its goodness.

So, are we up to the challenge?

You bet we are. Please join me in MEETING it.

Thank you, may God bless you and your families -- and may God bless Arizona.